

(b) whether the employment opportunities in Banks are likely to be affected as a result of the said facility; and

(c) if so, the details thereof and the remedial measures taken in this regard ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c) The information is being collected and will be laid on the Table of the House.

[English]

#### Representation From Association of Bank Employees

104. SHRI AJAY CHAKRABORTY :  
SHRI GEORGE FERNANDES :  
SHRIMATI GEETA MUKHERJEE :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received a representation from the All India Bank Employees' Association on matters pertaining to the banking industry;

(b) if so, the details thereof; and

(c) the action taken by the Government thereon ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Government have received a representation from All India Bank Employees' Association, making suggestions on the following matters :

- (i) Restructuring of Banks.
- (ii) Wilful default of bank loans.
- (iii) Full disclosure of the list of all bank defaulters.
- (iv) Bank's Balance-sheets should be absolutely transparent.
- (v) Establishment of Independent Audit Commission.
- (vi) Establishment of a Central Vigilance Commission.
- (vii) Appointments of Bank's Chairmen & Executives through a Banking Service Commission.
- (viii) Standing Parliamentary Committee should be set up to screen the performance of Nationalised Banks.
- (ix) Periodic consultation with the unions of employees and officers.
- (x) Not to establish Local Area Private Banks.

(c) Effecting improvements in the banking industry is a continuous process in which suggestions received from different sources are kept in view in the light of all relevant factors.

#### Import & Smuggling of Cardamom

105. SHRI P.C. THOMAS : Will the Minister of COMMERCE be pleased to state :

(a) whether cardamom grown in Guatemala is coming legally/illegally to Indian market;

(b) if so, the total quantity of cardamom with its value which has come to India during each of the last two years;

(c) whether low priced Guatemala cardamom thus coming to India has crashed the domestic price;

(d) if so, the comparative price of Guatemala and Indian cardamom during the above period;

(e) whether Nepal is importing cardamom through Calcutta port;

(f) if so, the total quantity reached at Calcutta port during the above period;

(g) whether such cardamom is diverted to India at nil duty or low duty;

(h) if so, the total quantity of cardamom arrived in India from Nepal during the above period; and

(i) the steps taken by the Government to curb smuggling of cardamom from Nepal or in transit ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a), (g) and (h) Cardamom being a consumer item, its import is not permitted except against an import licence. However, growers of cardamom have represented to the Government that cardamom from Guatemala imported by Nepal is finding its way illegally into India.

(b) Details of imports of cardamom (small), during the last two years are given below :

Year	Qty. (MT)	Value (Rs. lakhs)
1994-95	20.00	32.82
1995-96	26.41	20.75

Source : DGCI&S Calcutta).

(c) No, Sir. The weighted average domestic price of small cardamom during the period Aug-Jan. (1996-97) was Rs. 398.46 per kg. as against Rs. 201.50 per kg. during the period Aug-July (1995-96).

(d) The price of Indian & Guatemalan small cardamom in the middle-east markets during the last 2 years was as under :

Year	Variety	Price range (US \$ per kg.)
1994-95	Guatemalan Small Cardamom (Bold green/Bold)	7.00-8.50
	Indian (Extra Bold/Bold)	16.81-20.30
1995-96	Guatemalan Small Cardamom (Bold green/Bold)	5.70-7.00
	Indian (Extra Bold/Bold)	9.00-10.50

(e) and (f) Some of the imports of small cardamom by Nepal are made through Calcutta port. However, official figures of such imports are not available.

(i) All concerned customs authorities and their field formations have been alerted and are vigilant to prevent any smuggling of cardamom from Nepal to India

[Translation]

#### Internal Audit System of Banks

106. SHRI PRAMOD MAHAJAN :  
SHRI NAND KUMAR SAI :  
SHRI RAMSAGAR :

Will the Minister of FINANCE be pleased to state :

(a) whether the Rasheed Jalani Committee has made any recommendation in order to improve the internal audit system of banks;

(b) if so, the details thereof;

(c) whether the Government have instructed the banks to implement these recommendations;

(d) if so, whether all the banks have followed these instructions; and

(e) if not, the action taken/proposed to be taken against such banks who have not followed the said instructions alongwith their names ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes Sir.

(b) The Group had made a total of 79 recommendations of which 25 are to be implemented by the banks. According to the RBI some of the significant recommendations of the Committee are :

(i) Effective measures should be initiated by banks to remove area of ambiguity and over lapping as also to reduce multiplicity of different types of inspection audit.

(ii) Banks should introduce a system of branch rating based on inspection reports and review it periodically keeping in view the changed priorities and objectives set for proper working of the branches. Each bank should maintain computer profile of branches on their performance in thrust areas like audit rating-asset quality, level of NPAs, revenue leakage, profitability etc. Track record of frauds in branches etc. to be maintained.

(iii) All poorly rated branches need to be inspected within 12 months and others between 12 and 18 months since the last inspection.

(iv) Total computerisation of branches should move at a faster pace. Banks should also computerise the track record of branches in rectification of irregularities pointed out in inspection/audit reports.

(v) Vigilance and Inspection departments should

be placed under the charge of two different executives.

(vi) Banks should have a system of fixing accountability of inspectors/auditors for their failure to detect/report serious irregularities.

(vii) Segmentation approach should be followed for inspection of large branches and inspection/audit could be carried out department wise in order to eliminate delay in inspection/audit.

(viii) It would be more beneficial to cover those branches under concurrent audit system which would account for 50% of total advances of the bank rather than 50% of total business.

(ix) Committee also recommended Computer Audit and audit of Electronic Data Processing (EDP) aspects, among others.

(c) Reserve Bank of India (RBI) has advised the banks vide their communication dated 1st November, 1996 to initiate immediate action to implement the recommendations.

(d) Most banks have reported receipt of the instructions and initiation of measures for implementation of the recommendations.

(e) The banks are required to submit progress reports to RBI in respect of the recommendations to be implemented by them commencing from the quarter ended December 31, 1996. Banks have since started submitting the reports. Pending receipt and verification of all reports it would not be possible to indicate the names of banks which have not complied with instructions.

[English]

#### Shifting of Offices from Srinagar

107. SHRI GHULAM RASOOL KAR : Will the Minister of FINANCE be pleased to state :

(a) the number of regional offices of Banking and insurance companies closed in Srinagar during militancy period; and

(b) whether the Union Government have asked these regional offices to shift again in Srinagar ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Reserve Bank of India (RBI) have reported that no Regional Office of any banking company was closed in Srinagar during the militancy period. Insurance Companies do not have any Regional Office in Srinagar.

(b) Does not arise.

[Translation]

#### Election Expenses

108. SHRI PANKAJ CHOWDHARY : Will the Minister of LAW AND JUSTICE be pleased to state :